GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:960
ANSWERED ON:29.07.2005
TAX ON PETROL
Chinta Mohan Dr. ;Singh Shri Ganesh;Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

Will the Minister of FINANCE be pleased to state:

(a) the amount collected as tax from Petroleum sector during the financial year 2002-03, 2003-04 and 2004-05;

(b) the difference between selling price and production cost per litre of petrol and diesel during the years 2002-03, 2003-04, 2004-05;

(c) the reasons for increasingly burdening the consumers over the last few years;

(d) the impact of such price rise on the prices of other essential commodities

(e) the steps taken/proposed to be taken by the Union Government thereon;

(f) whether separate tax is charged on crude oil;

(g) if so, the details thereof; and

(h) the details of Central and State Government taxes on petrol and diesel?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) to (h) : As per the enclosed Statement.

Statement referred to in reply to the Lok Sabha Unstarred Question No.960

(a) Revenue collection from customs and excise duties (including cess on crude oil) from petroleum sector for the years 2002-03, 2003-04 and 2004-05 is as under:

Rs. In crore

	2002-03	2003-04 (provisional)	2004-05
Customs duties	9166	10582	13250
Excise duties	35961	40151	43145
Total	45127	50733	56395

(b) Production cost per litre of petrol and diesel is reported to be not identifiable separately with any degree of reasonable accuracy in view of the difficulty in allocating the `joint costs`, which account for more than 90% of the total cost of the finished petroleum products. In view of this, the difference between selling price and production cost of petrol and diesel could not be indicated.

(c) India is highly dependent on crude oil imports. Increase in international crude oil prices, thus, decisively impacts domestic prices of petroleum products.

(d) Prices of essential commodities depend on a number of factors, including cost of fuel.

(e) In this year`s budget, the Government has effected changes in customs and excise duty structures and rates so as to moderate the impact of increase in oil prices in the international market on domestic prices.

(f)&(g)Present customs and excise duty (including cess) structure and rates on crude oil is as under:

Customs duty:

Basic Customs Duty	Additional customs duty (CVD)	National Calamity Contingent Duty of Customs	Education Cess on imported goods
5%	Nil of duties of customs	Rs. 50 PMT	2% of aggregate

Excise Duty

Excise duty	Cess under Oil Industries Development Act	National Calamity Contingent Duty	Education Cess on excisable goods
Nil	Rs. 1800 PMT#	Rs. 50 PMT	2% of aggregate duties of excise

Concessional rate @ Rs.900 per tonne and Nil on crude oil produced in Oil fields under Production sharing Contracts and exploration block offered under New Exploration Licensing Policy.

(h) Details of excise duty rates on petrol and diesel are as under:

Product	Basic excise duty	Additional excise duty	Special Additional Excise Duty	Education Cess on excisable goods
Petrol	8% + Rs. 5.00/ltr	Rs. 2.00 /ltr.	Rs. 6.00 /ltr.	2% of aggregate duties of excise
Diesel	8% + Rs. 1.25/ltr	Rs. 2.00 - /ltr.		2% of aggregate duties of excise

Sales Tax/VAT is levied by State Governments and the rates are determined by the respective State Governments.